

**MINUTES OF APRIL 9, 2015 RETIREMENT BOARD
CITY OF ALEXANDRIA
FIREFIGHTERS AND POLICE OFFICERS PENSION PLAN
INTERIM MEETING**

PRESENT

<u>Members</u>	<u>Others</u>
Jack Browand ¹ (Management)	Bryan Capelli, Retirement Specialist
Michael Cross, ² Chairman, (Fire)	Kadira Coley, Acting Retirement Administrator
Titania Cross, (Management, Alternate)	Arthur Lynch, Retirement Specialist
Patrick Evans ¹ (Fire)	Chris Spera, Deputy City Attorney
Jean Kelleher ² Secretary (Management)	Michael Stewart, Deputy Director of Finance
Shirl Mammarella ³ (Police, Alternate)	Theresa Nugent, Retirement Specialist
Ed Milner ¹ (Police)	Sergey Zelensky, Retirement Specialist
Rick Muse ³ (Fire, Alternate)	
Al Tierney ² (Police)	
Laura Triggs ³ (Management)	

Absent:

Nelsie Birch (Management)

Terms: 1/1/2014 – 12/31/2015

¹Purchase of Service Credit Committee

²Technical Corrections and Plan Document Review Committee

³Vendor & Service Provider

CALL TO ORDER

Mr. Cross called the meeting to order at 8:31 AM on Thursday, April 9, 2015.

INTRODUCTIONS

Ms. Titania Cross, the newest management alternate representative, was introduced to the Board. It was noted that Jack Browand was officially moved from management alternate to management representative. Also, Ms. Nelsie Birch will be leaving the City so a new management representative will be needed to fill that vacancy.

Mr. Cross expressed his concern about the recent trend and turnover of management representatives.

MEETING RECORD

Ms. Triggs made a motion to

Approve the February 12, 2015 minutes.
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Mr. Evans seconded the motion. The motion was unanimously approved (7 – 0).

ADMINISTRATOR'S REPORTS

Regular Investment Reports

No rebalancing was required.

Private Equity

Hamilton Lane Fund II had a distribution since the previous meeting.

Hamilton Lane Fund IX had its first call on March 30th.

Real Estate

A distribution occurred on March 31st that was reinvested per the motion passed at the March 2014 meeting.

Timber

A distribution occurred on March 31st.

A trustee asked when the anticipated date of the final distribution from the timber investment is. Staff will ask Dahab to provide an update on the Timber and investment at the next due diligence meeting.

Other Items

Mr. Browand arrived at 8:45am.

Education: conferences, seminars and training

AMRS-VA – Staff notified the Board that they will be attending the AMRS-VA spring conference being held in Norfolk, VA on April 13th & 14th. Staff thanked the trustees for their participation in the survey was sent out to trustees about the Fall 2015 conference being held in Williamsburg, VA. Staff asked that board members send her any questions they would like to have addressed during the administrator's roundtable discussion.

Staff provided a quick overview of the upcoming classes offered by the International Foundation of Employee Benefit Plans (IFEBP).

Mr. Tierney made a motion to

Approve the cost for Ms. Coley, Mr. Cross, Mr. Evans, Mr. Milner and Mr. Tierney to attend the IFEBP training session and annual session being held in November in Honolulu, HI.

Mr. Milner seconded the motion.

Discussion:

A trustee inquired about the cost difference between attending the sessions in Hawaii and sessions in our locations. Staff has done a cost comparison and found the cost of the conference and training in Hawaii was equivalent or less than cost to attend similar sessions in previous years.

Ms. Triggs asked that members consider the perception of sending City Staff to Hawaii. She noted that the public perception of this trip may not be favorable.

A trustee inquired if there has previously been a limit on the number of trustees attending any one session offered by the IFEBP. Staff noted that no such limitation had been made in the past.

It was noted that the Board has had previous discussions about permanent training policy but nothing had been agreed upon. Thus each training opportunity is handled on a case by case basis.

The motion was approved (6 – 1- 1).

<u>Yes</u>	<u>No</u>	<u>Abstain</u>
M. Cross	L. Triggs	J. Browand
T. Cross		
P. Evans		
J. Kelleher		
E. Milner		
A. Tierney		

Trustees expressed interest in attending other IFEBP and Wharton Classes.

Mr. Browand made a motion to

Approve trustees to attend CAPPP or Wharton Series classes.

Mr. Cross seconded the motion. The motion was unanimously approved (8 – 0).

ICMA-RC Update

Site Visit - Staff and trustees provided an overview of the site visit that was held on March 25th. All agreed that the site visit was a productive day and provided a clearer understanding of ICMA-RC. Staff noted that ICMA-RC had their fund manager for the PLUS fund provide details on how the fund operates. Mr. Milner noted that ICMA-RC was very complimentary of the City of Alexandria's staff and work with ICMA-RC.

Staff was asked to follow up with ICMA-RC about the demographics of those invested in the PLUS fund and to provide feedback from the outreach done by ICMA-RC to those who were invested in the PLUS fund. Mr. Tierney shared his experience with ICMA-RC about his investment in the PLUS fund.

Hiring and Retirement – Staff noted that during the site visit they were introduced to Bonnie Williams whose primary job will be to work with open architecture plans similar to ours. Staff and Dahab believe that this addition to ICMA-RC's staff will fill any gap in service that may have previously existed. Staff announced that Gloria Moody is planning to retire in July. Staff will be creating a communication plan to notify City employees of her departure.

Education Calendar – Staff provided a calendar of the "Finance Mini-University" which includes trainings seminars and one-on-one consultations provided by ICMA-RC. [See exhibit 3(b)(iii)(3)]

Retirement Data

Staff distributed the updated retirement statistics including the 2014 data. It was noted that the total number of retirements the City increased by over 50% in comparison to 2013.

COLA

The COLA for 2015 is -0.09%. The COLA history and details on how COLAs are calculated was included in the board packet [3(b)(vi)]. Staff provided an exhibit to show the impact of the negative COLA on plan retirees [3(b)(vi) – exhibit 3].

National Retirement Planning Week – April 13th -17th

The City of Alexandria is planning to participate in National Retirement Planning Week. A communications plan is being finalized. The Pension Administration Division will host a Retirement Open House on Thursday, April 16th.

COMMITTEE REPORTS

Technical Corrections and Plan Document Review Committee

The committee (Mr. Cross, Ms. Kelleher & Mr. Tierney) has not met since their last report. They will regroup and plan to meet in the near future.

Purchase of Service Credit Committee

Mr. Browand joined the Purchase of Service Committee.

Vendor & Service Provider Review Committee

Staff will provide committee with a listing of upcoming contract end dates.

OLD BUSINESS

PPA2006 – HELPs Provision Update

Staff reported that weekly meetings have been held to keep interested retirees updated on progress. Research is still on-going about the feasibility of offering the option in the ICMA-RC plans. Participants who believe they are eligible for HELPs will be able to have deductions withheld from VRS.

Third Party Administrator

Board members inquired about the status of the third party administrator (Prudential). Staff noted that they were still in the preliminary stages on this project. Ms. Coley specifically noted that she felt the size of her staff was not of adequate size to handle bringing the administration in house. She mentioned she would follow up with her peers at AMRS-VA to see if any maintain a TPA relationship. She also noted that the writing of the RFP was going to be crucial in ensuring the vendor and contract are properly bid and that the assistance of a consultant to write the RFP would be helpful.

NEW BUSINESS

Investment Policy Statement – Staff distributed the current copy of the Investment Policy Statement. Staff noted that the IPS must be updated to reflect the changes agreed upon following the most recent allocation study. Staff will provide a draft copy of the updated IPS statement.

Budget Memo Request – Staff noted that Councilman Wilson had asked a question during the budget process about purchasing annuities or lump sums for the liability associated with the Old Fire & Police pension plan. The response to that inquiry will be included in the budget memos.

Mr. Tierney made a motion to

Enter Executive Session

Mr. Milner seconded the motion. The motion was unanimously approved (8 – 0).

The Board entered executive session at 9:50 AM

The Board exited executive session at 10:15 AM.

Mr. Milner made a motion to:

Mister Chairman, I move that the Board adopt the following resolution:

WHEREAS, the Alexandria City Fire Fighters and Police Pension Plan Board has this 9th day of April, 2015, recessed into closed executive session pursuant to a motion made and adopted in accordance with the Virginia Freedom of Information Act; and

WHEREAS, § 2.2-3712 of the Code of Virginia requires a certification by the Board that such closed executive session was conducted in accordance with Virginia law;

NOW, THEREFORE, BE IT RESOLVED that the Board does hereby certify that, to the best of each member's knowledge, only public business matters that were identified in the motion by which the closed executive session was convened, and that are lawfully exempted by the Freedom of Information Act from the Act's open meeting requirements, were heard, discussed or considered by the board during the closed executive session.

Mr. Tierney seconded the motion. The motion passed (8 - 0).

Mr. Spera arrived at 10:20 AM.

Securities Monitoring – Mr. Spera gave the Board a brief overview of Securities Monitoring. He notified the Board that he intended to enter into a contract with Robbins/Gellar. Robbins/Gellar is a law firm that specializes in securities monitoring and litigation. Mr. Spera noted that Robbins/Gellar has been retained by both Fairfax and VRS. He also noted that it is a best practice for funds like ours to retain this type of service. Mr. Spera clarified that there is no charge for this service and the firm would receive a percentage of any recovery if there was litigation. Mr. Spera noted that their fees were standard for the industry. Mr. Spera noted that we'd be entering into an open agreement with a 30-day termination notification requirement. He also noted that an RFP was not required for this type of service. A trustee inquired if the Plan would be able to pursue litigation and if the Plan or the fund manager is the actual owner of the securities. Staff will ask Dahab to provide follow up on this question.

NEXT MEETINGS

1. Thursday - May 21st at 8:30 AM, Sister Cities 1101, Due Diligence Meeting
2. Thursday – June 11th at 8:30 AM, Sister Cities 1101, Board Retreat
3. Thursday – July 9th at 8:30 AM, Sister Cities 1101, Interim Meeting
4. Thursday – August 13th at 8:30 AM, Sister Cities 1101, Interim Meeting

ADJOURNMENT

The meeting adjourned at 10:33 AM.

HANDOUTS

Distributed to Board members in the Board Packet:

Agenda
Minutes of Prior Meeting - February 12, 2015 [2]
Monthly Investment & Rebalancing Report [3(a)(i)]
Private Equity Cash Flow Report [3(a)(iii)]
Real Estate Cash Flow Report [3(a)(iv)]
Timber Cash Flow Report [3(a)(v)]
Finance Mini-University – ICMA-RC Seminar Schedule [3(b)(iii)(3)]
Retirement Data [3(b)(iv)]
COLA exhibits 1 [3(b)(vi)]
Excerpt from Plan Document – Section 6.11 [3(b)(vi)]
Impact of the Negative COLA [3(b)(vi) – Exhibit 3]
Meeting Calendar [7]

Items Distributed at the Board Meeting

Investment Policy Statement